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**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

In re:

PG&E CORPORATION,

- and -

**PACIFIC GAS AND ELECTRIC
COMPANY,**

Debtors.

- ☐ Affects PG&E Corporation
☐ Affects Pacific Gas and Electric Company
☒ Affects both Debtors

** All papers shall be filed in the Lead Case, No. 19-30088 (DM).*

Bankruptcy Case No. 19-30088 (DM)

Chapter 11

(Lead Case) (Jointly Administered)

**REORGANIZED DEBTORS' NINETY-
SEVENTH OMNIBUS OBJECTION TO
CLAIMS (BOOKS AND RECORDS CLAIMS /
SATISFIED CLAIMS / NO LIABILITY
CLAIMS)**

Response Deadline:

August 11, 2021, 4:00 p.m. (PT)

Hearing Information If Timely Response Made:

Date: August 25, 2021

Time: 10:00 a.m. (Pacific Time)

Place: (Telephonic Appearances Only)

United States Bankruptcy Court

Courtroom 17, 16th Floor

San Francisco, CA 94102

1 **TO: (A) THE HONORABLE DENNIS MONTALI, UNITED STATES BANKRUPTCY**
2 **JUDGE; (B) THE OFFICE OF THE UNITED STATES TRUSTEE; (C) THE AFFECTED**
3 **CLAIMANTS; AND (D) OTHER PARTIES ENTITLED TO NOTICE:**

4 PG&E Corporation (“**PG&E Corp.**”) and Pacific Gas and Electric Company (the “**Utility**”), as
5 debtors and reorganized debtors (collectively, the “**Debtors**,” or as reorganized pursuant to the Plan (as
6 defined below), the “**Reorganized Debtors**”) in the above-captioned Chapter 11 cases (the “**Chapter**
7 **11 Cases**”), hereby submit this Ninety-Seventh Omnibus Objection (the “**Objection**”) to the claims
8 identified in the columns headed (i) “Claims To Be Reduced or Disallowed” on **Exhibit 1** annexed
9 hereto, (ii) “Claims To Be Disallowed and Expunged” on **Exhibit 2** annexed hereto, and (iii) “Claims
10 To Be Disallowed and Expunged” on **Exhibit 3** annexed hereto.

11 **I. JURISDICTION**

12 This Court has jurisdiction over this Objection under 28 U.S.C. §§ 157 and 1334; the *Order*
13 *Referring Bankruptcy Cases and Proceedings to Bankruptcy Judges*, General Order 24 (N.D. Cal.); and
14 Rule 5011-1(a) of the Bankruptcy Local Rules for the United States District Court for the Northern
15 District of California (the “**Bankruptcy Local Rules**”). This matter is a core proceeding pursuant to 28
16 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The
17 statutory predicates for the relief requested are section 502 of Title 11 of the United States Code (the
18 “**Bankruptcy Code**”) and Rule 3007 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy**
19 **Rules**”).

20 **II. BACKGROUND**

21 On January 29, 2019 (the “**Petition Date**”), the Debtors commenced with the Court voluntary
22 cases under Chapter 11 of the Bankruptcy Code. Prior to the Effective Date (as defined below), the
23 Debtors continued to operate their businesses and manage their properties as debtors in possession
24 pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner was appointed
25 in either of the Chapter 11 Cases. The Chapter 11 Cases are being jointly administered for procedural
26 purposes only pursuant to Bankruptcy Rule 1015(b).

27 Additional information regarding the circumstances leading to the commencement of the
28 Chapter 11 Cases and information regarding the Debtors’ businesses and capital structure is set forth in

1 the *Amended Declaration of Jason P. Wells in Support of the First Day Motions and Related Relief*
2 [Docket No. 263].

3 On July 1, 2019, the Court entered the *Order Pursuant to 11 U.S.C. §§ 502(b)(9) and 105(a),*
4 *Fed. R. Bankr. P. 2002, 3003(c)(3), 5005, and 9007, and L.B.R. 3003-1 (I) Establishing Deadline for*
5 *Filing Proofs of Claim, (II) Establishing the Form and Manner of Notice Thereof, and (III) Approving*
6 *Procedures for Providing Notice of Bar Date and Other Information to All Creditors and Potential*
7 *Creditors* [Docket No. 2806] (the “**Bar Date Order**”). The Bar Date Order set the deadline to file all
8 proofs of claim (each, a “**Proof of Claim**”) in respect of any prepetition claim (as defined in section
9 101(5) of the Bankruptcy Code), including all claims of Fire Claimants (as defined therein), Wildfire
10 Subrogation Claimants (as defined therein), Governmental Units (as defined in section 101(27) of the
11 Bankruptcy Code), and Customers, and for the avoidance of doubt, including all secured claims and
12 priority claims, against either of the Debtors as October 21, 2019 at 5:00 p.m. Pacific Time (the “**Bar**
13 **Date**”). The Bar Date later was extended solely with respect to unfiled, non-governmental Fire
14 Claimants to December 31, 2019 [Docket No. 4672]¹; and subsequently with respect to certain claimants
15 that purchased or acquired the Debtors’ publicly held debt and equity securities and may have claims
16 against the Debtors for rescission or damages to April 16, 2020 [Docket No. 5943].

17 By Order dated June 20, 2020 [Dkt. No. 8053], the Bankruptcy Court confirmed the *Debtors’*
18 *and Shareholder Proponents’ Joint Chapter 11 Plan of Reorganization Dated June 19, 2020* (as may be
19 further modified, amended or supplemented from time to time, and together with any exhibits or
20 scheduled thereto, the “**Plan**”). The Effective Date of the Plan occurred on July 1, 2020 (the “**Effective**
21 **Date**”). See Dkt. No. 8252.

22 **III. RELIEF REQUESTED**

23 The Reorganized Debtors file this Objection, pursuant to section 502 of the Bankruptcy Code,
24 Bankruptcy Rule 3007, Bankruptcy Local Rule 3007-1, and the *Order Approving (A) Procedures for*
25 *Filing Omnibus Objections to Claims and (B) the Form and Manner of the Notice of Omnibus*
26 *Objections*, dated June 30, 2020 [Docket No. 8228] (the “**Omnibus Objections Procedures Order**”),

27 ¹ The claims of Fire Claimants will be administered through the Fire Victim Trust and the claims of
28 Wildfire Subrogation Claimants through the Subrogation Wildfire Trust in accordance with the Plan.

1 seeking entry of an order disallowing and expunging, or, where applicable, allowing in reduced amounts,
2 the claims as further described below.

3 **IV. ARGUMENT**

4 The Omnibus Objections Procedures Order supplemented Bankruptcy Rule 3007(d) to permit the
5 Reorganized Debtors to file objections to more than one claim if “[t]he amount claimed contradicts the
6 Debtors’ books and records and the Debtors, after review and consideration of any information provided
7 by the Claimant, deny liability in excess of the amount reflected in the Debtors’ books and records.”
8 Omnibus Objections Procedures Order, ¶ 2(C)(i). Bankruptcy Rule 3007(e) requires that an omnibus
9 objection must list the claimants alphabetically and by cross-reference to claim numbers.

10 Each of the Claimants on Exhibit 1, Exhibit 2, and Exhibit 3 is listed alphabetically, and the
11 claim number and amount are identified in accordance with Bankruptcy Rule 3007(e). Furthermore, in
12 accordance with the Omnibus Objections Procedures Order, the Reorganized Debtors have sent
13 individualized notices to the holders of each of the Books and Records Claims, the Satisfied Claims,
14 and the No Liability Claims, each as defined and described below.

15 **A. The Books and Records Claims Should be Disallowed and Expunged** 16 **or Allowed in the Reduced Claim Amount**

17 The Reorganized Debtors seek entry of an order (i) disallowing and expunging the claims
18 identified herein that the Reorganized Debtors have determined, based on a review of their books and
19 records, assert amounts for which they are not liable, or (ii) allowing in reduced amounts the claims
20 identified herein that the Reorganized Debtors have determined demand higher amounts than are
21 reflected in the Reorganized Debtors’ books and records (collectively, the “**Books and Records**
22 **Claims**”). The Books and Records Claims are identified on Exhibit 1, in the row titled “Original
23 Creditor,” and the amount that corresponds to the Reorganized Debtors’ books and records is listed in
24 the row titled “Reduced Claim Amount.” The Reorganized Debtors request that the Books and Records
25 Claims be allowed in each respective Reduced Claim Amount listed on Exhibit 1, or disallowed and
26 expunged in their entirety if the Reduced Claim Amount is zero.

27 Each of the Books and Records Claims identified on Exhibit 1 seeks an amount that contradicts
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1 the Reorganized Debtors' books and records. The Reorganized Debtors have determined that the Books
2 and Records Claims assert liabilities for which the Reorganized Debtors are not liable or are in excess
3 of the amounts as reflected in their books and records, and as stated in the Reduced Claim Amount row
4 on **Exhibit 1**. For Proof of Claim No. 6964 (West-Lite Supply Co, Inc.), parts of the excess amounts
5 asserted in the Books and Records Claims were satisfied by, among other things, payments made during
6 the Chapter 11 Cases pursuant to Court orders. For Proof of Claim No. 1369 (Shaw Pipeline, Inc.), the
7 Reorganized Debtors determined that the excess amount asserted was not valid after the Claimant did
8 not respond to the Reorganized Debtors' requests for documentation supporting the excess amount.
9 Accordingly, the Reorganized Debtors are seeking to reduce the filed claims to the amounts for which
10 they are liable based on their current books and records.

11 The Reorganized Debtors request that the Court allow the Books and Records Claims in each
12 respective Reduced Claim Amount listed on **Exhibit 1** or, disallow and expunge the Books and Records
13 Claims in their entirety if the Reduced Claim Amount is zero.

14 **B. The Satisfied Claims Should Be Disallowed and Expunged**

15 The Reorganized Debtors seek entry of an order disallowing and expunging claims that the
16 Reorganized Debtors have determined were satisfied or released during or prior to the commencement
17 of these Chapter 11 Cases in accordance with the Bankruptcy Code, any applicable rules, or Court orders
18 (the "**Satisfied Claims**"). The Satisfied Claims are identified on **Exhibit 2**, in the column headed
19 "Claims To Be Disallowed and Expunged," and are classified in the "Basis for Objection" column as
20 "Cure Payments," referring to Claims paid in their entirety as a cure as part of the assumption of an
21 executory contract that was assumed during the bankruptcy proceeding or on the Effective Date pursuant
22 to the Plan and Confirmation Order.

23 Each of the Satisfied Claims identified on **Exhibit 2** has been satisfied prior to or over the course
24 of the Chapter 11 Cases. Accordingly, the Reorganized Debtors request that the Court disallow and
25 expunge the Satisfied Claims in their entirety.

26 **C. The No Liability Claims Should Be Disallowed and Expunged**

27 The Reorganized Debtors seek entry of an order disallowing and expunging Proofs of Claim for
28 which the Reorganized Debtors are not liable (the "**No Liability Claims**"). The No Liability Claims are

1 identified on Exhibit 3, in the column headed “Claims To Be Disallowed and Expunged.” Exhibit 3
2 also specifically identifies in the “Basis for Objection” that the No Liability Claims are classified as
3 “Protective Claims.” These Proofs of Claim assert protective claims that are potentially owing post-
4 petition, and in some cases for unliquidated amounts. The Reorganized Debtors have reviewed their
5 books and records and have determined that they have no known liability as of the Petition Date with
6 respect to the Protective Claims. Approval of the relief requested herein will not prejudice the holders
7 of any of the Protective Claims because (a) the Claimants retain all non-bankruptcy remedies that would
8 have existed had these Chapter 11 Cases not been filed and (b) the Debtors commit that they will not
9 raise any bankruptcy defenses to future assertion of claims based on the alleged post-petition failure of
10 the Reorganized Debtors to perform or honor their obligations relating to such claims.

11 The Reorganized Debtors and their professionals have reviewed each of the No Liability
12 Claims identified on Exhibit 3 and have determined each represents a Proof of Claim for which the
13 Reorganized Debtors do not have any liability. Accordingly, the Reorganized Debtors request that the
14 Court disallow and expunge the No Liability Claims in their entirety.

15 **D. The Claimants Bear the Burden of Proof**

16 A proof of claim is “deemed allowed, unless a party in interest . . . objects.” 11 U.S.C. § 502(a).²
17 Section 502(b)(1) of the Bankruptcy Code, however, provides in relevant part that a claim may not be
18 allowed if “such claim is unenforceable against the debtor and property of the debtor, under any
19 agreement or applicable law.” 11 U.S.C. § 502(b)(1). Once the objector raises “facts tending to defeat
20 the claim by probative force equal to that of the allegations of the proofs of claim themselves,” *Wright*
21 *v. Holm (In re Holm)*, 931 F.2d 620, 623 (9th Cir. 1991), quoting 3 L. King, *Collier on Bankruptcy*
22 § 502.02 at 502-22 (15th ed. 1991), then “the burden reverts to the claimant to prove the validity of the
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24 ² Upon the Reorganized Debtors’ request, the deadline under Section 7.1 of the Plan for the Reorganized
25 Debtors to bring objections to Claims initially was extended through and including June 26, 2021 (except
26 for Claims of the United States, which deadline was extended to March 31, 2021) [Docket No. 9563].
27 That deadline has been further extended through December 23, 2021, except for Claims of the California
28 Department of Forestry and Fire Protection, which deadline was extended to September 30, 2021,
without prejudice to the right of the Reorganized Debtors seek further extensions thereof [Docket
No. 10494]. The deadline with respect to Claims of the United States has been further extended by
stipulation and order [Docket Nos. 10459 and 10463].

1 claim by a preponderance of the evidence.” *Ashford v. Consolidated Pioneer Mortgage (In re*
2 *Consolidated Pioneer Mortgage)*, 178 B.R. 222, 226 (B.A.P. 9th Cir. 1995) (quoting *In re Allegheny*
3 *Int’l, Inc.*, 954 F.2d 167, 173-74 (3d Cir. 1992)), *aff’d without opinion* 91 F.3d 151 (9th Cir. 1996).
4 “[T]he ultimate burden of persuasion is always on the claimant.” *Holm*, 931 F.2d at 623 (quoting King,
5 *Collier on Bankruptcy*); *see also Lundell v. Anchor Constr. Specialists, Inc.*, 223 F.3d 1035, 1039 (9th
6 Cir. 2000); *Spencer v. Pugh (In re Pugh)*, 157 B.R. 898, 901 (B.A.P. 9th Cir. 1993); *In re Fidelity*
7 *Holding Co.*, 837 F.2d 696, 698 (5th Cir. 1988).

8 As set forth in Section IV.A above, the Reorganized Debtors are not liable on any of the Books
9 and Records Claims beyond the “Reduced Claim Amount” listed on **Exhibit 1**—which, in some cases,
10 is zero—and they deny any liability in excess of the Reduced Claim Amount. On that basis, the
11 Reorganized Debtors submit that the Books and Records Claims should be allowed in their respective
12 Reduced Claim Amounts and disallowed as to any and all amounts in excess thereof (or, disallowed and
13 expunged in their entirety if the Reduced Claim Amount is zero). If any Claimant believes that it is
14 owed more than the Reduced Claim Amount, it must present affirmative evidence to establish its
15 entitlement to such excess amount.

16 As set forth in Section IV.B above, the Reorganized Debtors submit that the Satisfied Claims
17 already have been satisfied prior to or over the course of the Chapter 11 Cases and, therefore, should be
18 disallowed and expunged. If any Claimant believes that a Satisfied Claim has not been satisfied in full,
19 it must present affirmative evidence demonstrating the validity of that claim.

20 As set forth in Section IV.C above, the Reorganized Debtors submit that the No Liability Claims
21 do not represent a current right to payment and, therefore, should be disallowed and expunged in their
22 entirety. If any Claimant believes that a No Liability Claim is valid, it must present affirmative evidence
23 demonstrating the validity of that claim.

24 **V. RESERVATION OF RIGHTS**

25 The Reorganized Debtors hereby reserve the right to object, as applicable, in the future to any of
26 the Proofs of Claim listed in this Objection on any ground, and to amend, modify, or supplement this
27 Objection to the extent an objection to a claim is not granted, and to file other objections to any proofs
28 of claims filed in these cases, including, without limitation, objections as to the amounts asserted therein,

1 or any other claims (filed or not) against the Debtors, regardless of whether such claims are subject to
2 this Objection. A separate notice and hearing will be scheduled for any such objections. Should the
3 grounds of objection specified herein be overruled, wholly or in part, the Reorganized Debtors reserve
4 the right to object to the Books and Records Claims, Satisfied Claims, and No Liability Claims on any
5 other grounds that the Reorganized Debtors may discover or deem appropriate.

6 **VI. NOTICE**

7 Notice of this Objection will be provided to (i) holders of the Books and Records Claims,
8 Satisfied Claims, and No Liability Claims; (ii) the Office of the U.S. Trustee for Region 17 (Attn:
9 Andrew R. Vara, Esq. and Timothy Laffredi, Esq.); (iii) all counsel and parties receiving electronic
10 notice through the Court's electronic case filing system; and (iv) those persons who have formally
11 appeared in these Chapter 11 Cases and requested service pursuant to Bankruptcy Rule 2002. The
12 Reorganized Debtors respectfully submit that no further notice is required. No previous request for the
13 relief sought herein has been made by the Reorganized Debtors to this or any other Court.

14 WHEREFORE the Reorganized Debtors respectfully request entry of an order granting (i) the
15 relief requested herein as a sound exercise of the Reorganized Debtors' business judgment and in the
16 best interests of their estates, creditors, shareholders, and all other parties' interests, and (ii) such other
17 and further relief as the Court may deem just and appropriate.

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20 Dated: July 15, 2021

KELLER BENVENUTTI KIM LLP

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22 By: /s/ Thomas B. Rupp
Thomas B. Rupp

23 *Attorneys for Debtors and Reorganized Debtors*
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